



South Africa: The Next Republic

The resignation of former president Thabo Mbeki can be seen as the ending of a "First Republic" in democratic South Africa. The liberal left tradition of the governing African National Congress is fading, and the "Second Republic" will be shaped by more competition for political power both inside and outside the ANC. These notes consider Mbeki's legacy, the challenges facing President Kgalema Motlanthe, and the prospects for a "Second Republic" under presidential aspirant Jacob Zuma.

- ANC deeply divided as Mbeki loyalists contemplate breakaway party.
- SA Communist Party and Trades Unions gain influence in ANC structures.
- New leadership pledges to maintain market-friendly economic policies.
- Cabinet re-shuffle recognises failures in health, education and crime.
- Democratic institutions damaged by fall-out from controversial arms deal.
- Zuma's authority rooted in ANC security and intelligence network.

The "Zuma Tsunami"

On September 20th 2008, the national executive of the African National Congress agreed to "recall" Mbeki from the national presidency. His resignation follows a turbulent shift in the balance of power within the party leadership – dubbed the "Zuma Tsunami" by supporters of ANC president Jacob Zuma.

Zuma is widely expected to assume the national presidency after elections in 2009, unless convicted on charges of corruption. His election as ANC leader at the party's national congress in Polokwane in December 2007 reflects the ascendancy, within ANC structures, of the South African Communist Party (SACP) and the Congress of South African Trades Unions (COSATU), the ANC's partners in a formal tripartite alliance.

The case for deposing Mbeki was motivated by COSATU general secretary Zwelanzima Vavi and SACP secretary general Blade Nzimande, fierce opponents of Mbeki's liberalising economic policies. Both Zuma and Motlanthe had previously warned against removing a sitting president shortly before the end of his second and final term.

Senior ANC figures Cyril Ramaphosa, Tokyo Sexwale and Matthews Phosa argued strongly in support of deposing Mbeki. All three are longstanding Mbeki rivals, and in 2001 were victims of a false allegation of conspiracy to harm the president brought by Mbeki loyalists. "It is revenge, pure and simple," commented opposition leader Helen Zille.¹

Judge Nicholson

Mbeki's presidency was finally undermined by a High Court judgement that he or his cabinet had exerted "baleful

political influence" in the prosecution of Zuma on charges of corruption and tax evasion, related to a R50 billion (£4 billion) government defence contract sanctioned by Mbeki in the late 1990s.

"The arms deal is the poisoned chalice of South African politics."

– Mark Gevisser, Mbeki's biographer

Judge Chris Nicholson told the Pietermaritzburg High Court that the National Prosecuting Authority failed to follow correct procedures in their case against Zuma. He called for a commission of enquiry into the arms deal and criticised Mbeki's failed bid for a third term as ANC president as "not in accordance with the Westminster system we espouse in this country".

The judgement provided new grounds for the ANC leadership to challenge Zuma's prosecution, and a catalyst for its national executive to oust Mbeki. "The case, in our view, is not in the public or national interest. If the case is pursued, it will continue to be a point of division in the ANC," said Gwede Mantashe, ANC secretary-general and chairman of the SACP.²

State prosecutors launched an appeal against Judge Nicholson's ruling. Acting national director of public prosecutions Mokotede Mpshe said the judge's pronouncements on political meddling were "vexatious" and not relevant to the case. Judge Nicholson is said by friends not to have anticipated the move against Mbeki, amid accusations that his comments undermined the constitutional order.



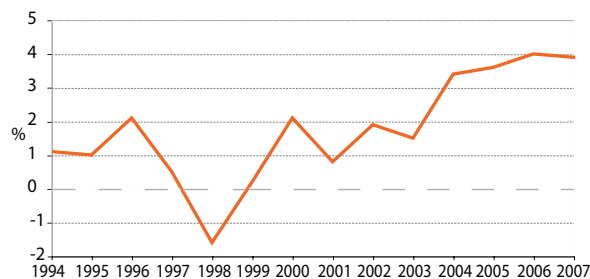
The circumstances of Mbeki's removal resemble those of Zuma's departure from government as deputy president in 2005, when a judge suggested a "generally corrupt relationship" between Zuma and his financial adviser Schabir Shaikh. In a televised address, Mbeki denied interference in the prosecution case against Zuma and said he would take the unprecedented step of asking the Constitutional Court to clear his name.

The Mbeki legacy: *Diamonds...*

Thabo Mbeki has been the chief architect of the new South Africa – its successes and failures. He was president from 1999, a *de facto* prime minister under Nelson Mandela, and the leading advocate within the ANC of the 1989 Harare Declaration which launched negotiations between the exiled liberation movements and the apartheid regime.

As the political champion of a liberalising economic agenda, Mbeki's influence transformed an isolated pariah economy and bankrupt apartheid state. Since 1999, the economy has recorded the longest consecutive expansion in South African history – although the boom has under-performed other resource-rich economies. A strong financial sector, rising exports and high commodity prices sustained recent annual economic growth of more than 4.5%. In per capita terms, the economy has grown faster than the population.

Real per capita GDP growth³

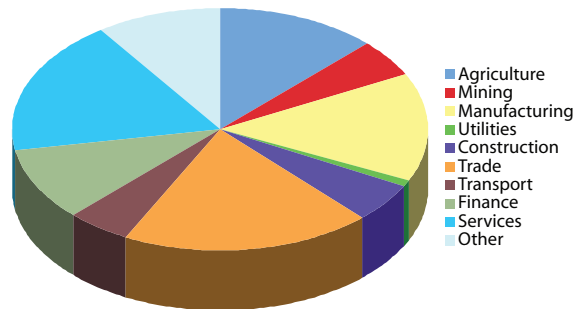


In contrast to the post-independence experience in much of Africa, Mbeki's administration re-invented the government and municipal bureaucracies to create Africa's only broad-based welfare state. "Bottle necks" which slowed delivery throughout the 1990s have been largely eliminated. In 2007, actual capital spending in the public sector reached R124 billion (£8.2 billion) or 97% of the allocated budget.⁴

A balanced budget, lower taxes and the wider tax base of the Mbeki era were self-imposed reforms: Pretoria spurned the offer of cheap loans from foreign donors or the International Monetary Fund. Higher revenues have funded an ambitious programme of public investment ahead of the 2010 soccer World Cup, with capital spending forecast to

reach 7% of gross domestic product in fiscal 2008. Spending on social security, including "social allowances" to 12.4 million claimants, accounts for 4.6%.⁵

Distribution of employment by industry, September 2007⁶



In foreign policy, Mbeki has tried to export his policies to Africa in the form of a revised, 21st century pan-Africanism. His New Partnership for African Development (NEPAD) included an African Peer Review Mechanism (APRM), under which African states monitor each other's progress. These objectives, adopted by the new African Union, were a catalyst for the doubling of foreign aid budgets for Africa at the Gleneagles meeting of the G8 group of industrialised nations in July 2005.

...and Rust

While absolute poverty has fallen, Mbeki's legacy has been described as a society of "diamonds and rust".⁷ Since 1995 South Africa has eclipsed Brazil as the world's most unequal society – an accelerating trend in tandem with the economic boom.

At the root of Mbeki's weakened authority is his role in quashing effective scrutiny of the arms deal brokered under Mandela's presidency in the late 1990s. Mbeki used his dominance of the parliamentary caucus to obstruct scrutiny of senior ANC politicians and European defence contractors. Investigations by the Auditor General, National Prosecuting Authority and Public Protector were stymied. But in 2005, Zuma's associate Schabir Shaikh was gaoled for fifteen years on charges of corruption.

The worst blight on Mbeki's legacy will remain his confusing response to the HIV/Aids pandemic. About 5.7 million South Africans are HIV-positive, according to government figures – the highest number in any country. Mbeki entertained dissident scientific opinion on the causes of the epidemic, and blamed Afro-phobia and racism for inflated early predictions of the scale of the epidemic.

The Mbeki administration introduced legislation to enable licensing of cheap generic copies of patented medicines, then stalled distribution of antiretroviral treatment (ARVs) via state hospitals and clinics. Although his government subsequently introduced the world's most ambitious ARV programme, the slow pace of implementation is directly attributable to Mbeki's suspicion of orthodox approaches to treatment.

President Kgalema Motlanthe

Motlanthe is a left-leaning intellectual with close ties to the trades unions and the SACP. As leader of the National Union of Mineworkers, he was credited by mining companies for his pragmatic efforts to avert industrial action during wage disputes. An interim appointment pending elections in 2009, he says he has no ambition to remain in office.

Motlanthe argues that the government has tried to do too much with limited resources. He cites the example of the impoverished Eastern Cape, where the provincial government has spent only 10% of its allocated health budget due to a shortage of doctors and other key skills. Motlanthe's first public comments as president included fulsome praise for Mbeki – widely seen as an attempt to reassure incumbent officials and technocrats wary of further upheaval in government.⁸

He inherits a plethora of stubborn problems: high unemployment, violent crime, a deterioration in school results and limited access to education, the poor record of the criminal justice system in convicting criminals, and an emerging culture of impunity among corrupt or incompetent officials. The appointment of new ministers for education, justice and health is consistent with the five priorities identified by the ANC, namely: education, health, crime, agrarian reform and rural poverty.

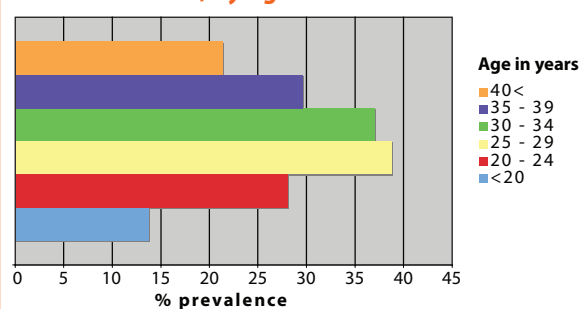
"The fact that 12 million of our people are recipients of grants is not sustainable. For their own dignity it is much better if people have decent jobs."

- President Kgalema Motlanthe⁹

The new South African president has also been candid about faltering morale in both public and private sectors. In a speech to business groups following his election as ANC deputy president at Polokwane, Motlanthe acknowledged the haemorrhaging of skills from the formal economy and stressed the importance of retaining a professional class. He repeated Zuma's emphasis that the ANC wanted a strong economy and significant foreign investment.¹⁰

Motlanthe also raised hopes of greater transparency in government by appointing Barbara Hogan, a former chairman of parliament's finance committee, to the health portfolio. Hogan was among a handful of ANC MPs to criticise Mbeki's stance on HIV/Aids, and the practice of inflation-targeting in monetary policy. She promptly released a damning report into 140 child deaths at hospitals in the Eastern Cape, previously kept under wraps by her predecessor, Manto Tshabalala-Msimang.

Estimated HIV prevalence among antenatal clinic attendees, by age¹¹



Pluralism, and the soul of the ANC

The "Zuma Tsunami" which toppled Mbeki has brought more casualties in its wake. Key ministers, including finance minister Trevor Manuel, have been asked by ANC leaders to remain in office. But a growing number of provincial officials, including premiers appointed by Mbeki, have been forced out by regional ANC structures. Mbhazima Shilowa, a former COSATU leader-turned-premier of the industrialised Gauteng province, resigned in solidarity with Mbeki.

Shilowa is among a group of senior ANC figures – including Manuel and several other incumbent ministers – known to have met to discuss forming a breakaway faction to contest elections in 2009. Musiuoa Lekota, former ANC chairman and Mbeki's defence minister, publicly accused the party's national executive of betraying the democratic principles enshrined in the Freedom Charter, adopted in 1955.

Rival claims on the democratic tradition – in effect, to be the custodian of the soul of the ANC – are keenly contested. In a public response to Lekota, national executive committee member Jeff Radebe reprimanded the breakaway faction with the threat of expulsion from the party: "History is full of examples of such individuals...leaders who had grown too big for the ANC...they either had to leave voluntarily or be expelled."¹²

Opponents of Zuma counter that his presidential campaign is primarily an attempt to evade prosecution, and that he has been adopted as a Trojan Horse to advance a leftist agenda



within the ANC. Dissident voices within both COSATU and the SACP anticipate a rift between Zuma and his leftist allies: "He must know that he is being used," said Willie Madisha, a former COSATU president.¹³ Others, notably within the National Union of Metalworkers and the SACP intelligentsia, claim Vavi and Nzimande will abandon "the class project" in return for cabinet posts.

Precedents for President Zuma

The first all-race election in 1994 fuelled hopes that South Africa would lead a renovating project in Africa. Its three central precepts were the creation of a globally competitive capitalist economy, redistributive social policy and a robust constitutional democracy. Despite substantial progress, none of these objectives have been secured under the "First Republic" of a democratic South Africa.

Parliament played no formal role in Mbeki's removal, implying that political sovereignty is concentrated in the leadership of the governing party. "In effect our democracy is very limited," observes Terence Beard, emeritus professor at Rhodes University in Grahamstown. "The political culture established by nearly half a century of Afrikaner nationalist rule continues."¹⁴

"If you believe in democracy, you have to support a plural system. But on the other hand, part of our success has been to have a strong majority party."

– Herman Bosman, chief executive, Deutsche Bank, Johannesburg¹⁵

The blurring of party and state eroded constitutional democracy in post-colonial Africa, creating numerous *de facto* one-party states. But since the early 1990s, this trend has been largely reversed. In 2008 alone, a power-sharing coalition was installed in Kenya; a parliamentary committee of enquiry toppled the prime minister in Tanzania; and a multi-party system has been consolidated in Zimbabwe.

Similar trends are evident in South Africa. The erosion of ANC hegemony will encourage stronger parliamentary opposition. Rising per capita income is forecast to sustain the growth of an emerging middle class.¹⁶ But parliamentary democracy is likely to be constrained by larger external pressures: a liberalising economic agenda has diminished the sovereignty of African governments – and with it their capacity to contain rising social inequality.

Angola provides a useful reference. After decades of civil war, the oil-rich southern African state is among the world's fastest growing economies. Inflows of Chinese capital have funded an array of new infrastructure projects and a booming private sector, often touted by neo-liberals as a

model for African development. But state revenues remain concentrated in the hands of a politico-military elite – and controlled, according to some estimates, by no more than ten well-connected families.

The vision of a popular, participative democracy is more keenly prized in South Africa. But the scope for meaningful redistribution of wealth will remain limited. Zuma's ANC has pledged to focus its intervention on fewer priorities, and to sustain the trajectory set by his predecessors. South Africa will remain an economy of strong corporations cheek-by-jowl with entrenched poverty.

Under the "Second Republic", prospective President Zuma will face unprecedented disaffection with the ANC, growing political competition, and demands to reward his restive allies in COSATU and the SACP.

Barring a significant leftward shift in policy, the political authority of Zuma's administration will necessarily be rooted in the loyalty and patronage of Zuma's "comrades" from the ANC intelligence networks. The urgent need to establish more accountable institutions is likely to remain a feature of the next republic.

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- 1 *Mail and Guardian*, South Africa, September 21st 2008.
- 2 *City Press*, South Africa. September 21, 2008.
- 3 Statistics South Africa, in *Development Indicators 2008*, The Presidency of the Republic of South Africa.
- 4 J.P. Landman, *Is the bad mood justified?*, BOE Private Clients, April 2008.
- 5 *Ibid.*
- 6 *Labour force survey*, Statistics South Africa, September 2007.
- 7 Mabalane Mfundisi, former chairman, Freedom of Expression Institute.
- 8 Kgalema Motlanthe, speech to the South Africa – Italian Business Awards, 2008.
- 9 Interview with Ebrahim Harvey, *Mail and Guardian*, October 3rd 2008.
- 10 Kgalema Motlanthe, speech to the South Africa – Italian Business Awards, 2008.
- 11 <http://www.avert.org/safricastats.htm>
- 12 Open letter to Gwede Mantashe, ANC secretary-general, October 2008.
- 13 Interview with Mark Ashurst, Johannesburg, October 2nd 2008.
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- 16 J.P. Landman, *Is the bad mood justified?*, BOE Private Clients, April 2008.